Classification of banks as fragile

*696. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether several banks in the Indian banking system have been classified as being fragile and having a negative network;

(b) if so, the details thereof;

(c) the factors responsible for such Indian banks being classified as fragile;

(d) whether Government have taken any steps to tone up the functioning of such banks; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (c) No, Sir. According to Reserve Bank of India (RBI) one public sector bank *viz.* Indian Bank and two private sector banks *viz.* the Benares State Bank Ltd. and the Nedungadi Bank Ltd. had negative networth as on 31st March, 2001. The major factors responsible for their negative networth are high incidence of NPAs and continuous losses incurred by them.

(d) and (e) Reserve Bank of India (RBI) and the Government have advised the banks to take several steps such as to rationalize their staff strength and branch network, abolition of zonal offices, lowering of cost of deposits, operations, increase in their productivity and reduction of NPAs. RBI conducts inspections of the banks periodically and takes follow up action. Government also monitors the performance of the public sector banks on a continuing basic. In the case of Indian Bank, Government of India has provided recapitalisation support of Rs. 1300 crores during the year 2001-2002 to improve its networth.

Development of Bangalore Airport

*697. SHRI H.K. JAVARE GOWDA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether it s a fact that Bangalore airport handles approximately 100 flights a day and about two lakh passengers in a month;

(b) whether it is also a fact that the existing infrastructure is insufficient to meet the demands of the passengers; and

(c) if so, the details of the steps Government propose to take for infrastructure development of Bangalore airport till the completion of Devenahalli Airport for the ever growing passengers traffic and its International importance?

THE MINISTER OF CIVIL AVIATION (SHRI SYED SHAHNAWAZ HUSSAIN): (a) The Bangalore International airport handle 92 aircraft movement (46 arrivals and 46 departures) per day and 1.86 lakh passengers per month during 2001-2002.

(b) and (c) The existing infrastructure capacity at Bangalore airport is sufficient to handle 28 lakh passengers per annum in the domestic sector whereas the actual demand in this sector is at present 20.66 lakh passengers per annum. Similarly, the international passenger demand is 2.02 lakh per annum as against available capacity of 5 lakh per annum.

Airports authority of india has completed a number of works at Bangalore airport during the last 3-4 years to enhance passenger handling capacity. The details are as under:—

(i) Construction of an Integrated International Terminal Building to handle 700 arriving domestic passengers and 300 arriving international passengers on the ground floor, and 300 departing international passengers from the first floor.

(ii) Installation of two passenger boarding bridges, four elevators, three escalators, four conveyor belts and four X-ray equipments for screening of registered and hand baggages.

(iii) Expansion of car park to the capacity of 360 at a time.

Profit of Nationalised *vis-a-vis* Foreign banks

*698. PROF. M. SANKARALINGAM: Will the Minister of FINANCE be pleased to state:

(a) whether the nationalised banks and financial institutions have improved their performance and profits;

(b) the comparative figures in terms of profit with that of foreign banks for the past three years; and

(c) the steps taken by Government to improve the functioning and profitability of these financial institutions and banks keeping in view the acute competition by the foreign banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Net profits earned by Public Sector